

INCOMING TELEGRAM

Department of State

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REP

FROM: Tokyo

TO: Secretary of State

NO: 2584, February 10, 4 p.m.

Control:
Rec'd:

3799

February 10, 1953
4:47 a.m.

FCN Treaty.

Foreign Office preparing data eventual use Diet interpellation and requests information date restrictions effective New York regarding foreign banks involving depository fiduciary functions. New York statutes available indicate recent date, but Embassy under impression New York restrictions first implemented early 19th Century. Would appreciate background information soonest.

MURPHY

JAK:ED/12

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REVIEWED BY [Signature] DATE 7-20-80

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INCOMING TELEGRAM

Department of State

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10
Action

Action Assigned to

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FROM: Tokyo FEB 16 AM 10 10

Control/Relay 05

Rec'd: February 16, 1953
5:45 a.m.SS
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ARMY
AIR
NAVY
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TO: Secretary of State

Date of Action

NO: 2664, February 16, 1953 p.m.

Action Office Symbol

EMBTel 2568, February 9, FCN Treaty.

Name of Officer

Foreign Office advised Embassy of Cabinet views Treaty substantially along lines previously reported, as follows:

Direction to DC/R

(1) Natl treatment concept for local investment yen profits arising foreign investment acceptable but protocol provision required to ensure retention three years prevent foreign investment law. This in effect postpones national treatment on purchases outstanding shares stock market with local yen profits.

(2) Paragraph 2, Article VII safeguard against retroactive application of restrictions in specified fields acceptable provided Japanese Government permitted retroactively apply such restrictions on reciprocal basis US state laws, banking excepted. This in effect would result negation paragraph 2 safeguard in cases where US state of which investor resident applied greater degree restriction than Japan.

(3) Foreign exchange remittances in currency other party acceptable provided protocol reservation permits Japanese Government allocate other currencies to cover non-dollar investment. Thus only sterling would normally be granted US citizen investing sterling in Japan.

(4) Paragraph 2, Article VIII re privileges government-owned enterprise acceptable provided safeguards for investment limited to national treatment. Prime Minister's legal adviser reported feel strongly that present wording which unconditional and more than national treatment is unacceptable.

Embassy ventures opinion Japanese Government position can be met on points 1 and 3. If acceptable Department, suggest earliest DEPTel guidance, possible preliminary draft text since Foreign Office scheduled resume discussions with Embassy about February 24. Embassy believes points 2 and* acceptable as proposed by Japanese Government, although compromise wording possible. Request Department views. Despatch follows.

Since above apparently only pending issues, probable they be carried into formal negotiations following brief informal discussions. Therefore, request appropriate powers negotiation

be

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-2- 2664, February 16, 6 p.m., from Tokyo.
be transmitted soonest.

MURPHY

MAM:WGR/3

*As received. Verification upon request.

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